

**Department of Commerce
Senior Executive Service
Pay Policy Summary**

The Department of Commerce (DOC) decisions on setting and adjusting rates of basic pay for Senior Executive Service (SES) members and senior professional employees are based on individual performance and/or contribution to the agency's performance as determined under a rigorous performance management system. This policy is consistent with the final regulations on Performance-Based SES Pay, effective December 6, 2004.

The DOC SES performance-based pay system has five rating levels defined as: Outstanding, Commendable, Fully Successful, Minimally Acceptable, and Unsatisfactory.

DOC SES Performance-based related pay adjustment eligibility:

Executive's current performance rating is at least Fully Successful (Level 3) or equivalent, and the senior executive has had performance ratings of at least fully successful or equivalent for the past 2 years.

An element rating of at least 3 (or equivalent) or higher has been received, for each performance element in the senior executive's current performance plan.

The senior executive has not had an SES performance-based pay increase or decrease during the past 12 months. Performance-based adjustments will only be considered if the executive has been at his/her rate of basic pay for one full year prior to January 1.

DOC SES Performance-based pay adjustment criteria:

Ceilings were established for performance-based pay level adjustments and senior employees may receive up to 2 percent for a fully successful rating; up to 4 percent for a commendable rating; and up to 6 percent for an outstanding rating.

DOC SES Bonus Pool

DOC pool - 7 percent of aggregate salaries of career executives as of September 30.

Pool amounts are calculated by separate program areas; prorated to provide for discretionary funds for distribution by Departmental Executive Resources Board (DERB) recommendations to the Secretary of Commerce.

DERB may make any adjustments to individual pools so long as agency 7 percent funding maximum is maintained.

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DOC SES Bonus Awards

Executive can receive 5 percent to 20 percent of base salary.

Ceilings were established for payment of performance bonuses. The agency has discretion to nominate career SES employees for bonuses up to 8 percent for a fully successfully rating; up to 14 percent for a commendable rating; and up to 20 percent for an outstanding rating.

DERB Process Decisions for Rates of Basic Pay and Bonuses

Executives must be employed with the Department for the entire rating cycle to be eligible for a performance-based pay adjustment

Executives must have been in the SES for 1 year to be eligible for a performance-based pay adjustment.

Bonuses for executives will be prorated by the amount of time the executive either has been in the Department or in the SES.

Bonuses will be granted to retiring or retired SES members only in exceptionally meritorious situations.

Only the Department's highest performing executives will be paid above the rate for level III of the Executive Schedule (\$149,200 in 2005), and up to the rate for level II of the Executive Schedule (\$162,100 in 2005).